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RETAIL PRICES AND BASIC WAGE RATES - DECEMBER QUARTER, 1965

CONSUMER PRICE INDEX

The Consumer Price Index measures quarterly, for each State Capital, the variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households. Commodities and services included in the index are food, clothing, drapery, home ownership, rent of privately owned and government owned houses, fuel, light, furniture, household appliances and supplies, fares, motoring, tobacco, cigarettes, beer, cinema, radio and television licences, newspapers, postal and telephone services, hairdressing, dry cleaning, and various other items.

The various commodities and services have been combined into groups, and group indexes are available for Food, Clothing and Drapery, Housing, Household Supplies and Equipment, and Miscellaneous.

The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city. The base of the index for each city and for the weighted average, six State Capitals, is year 1952-53 = 100.0. Group indexes also have separate bases for each group.

The Brisbane Consumer Price Index for December quarter, 1965, rose from 138.3 to 140.0, an increase of 1.2 per cent. Although this was a substantially smaller increase than the 1.9 per cent rise recorded for the previous quarter, it was still one of the largest quarterly increases of recent years. A greater rate of increase has been recorded in only three other quarters over the past five years. Over the year 1965 the Brisbane index rose by 4.9 per cent, the greatest increase in any one year since a rise of 6.5 per cent was recorded in 1956.

The Food Group increased by 0.9 per cent, compared with a rise of 3.2 per cent for the previous quarter. The index rose from 149.7 to 151.0. Although fresh meat prices rose again during the quarter, this rise was offset to a considerable extent by lower potato prices. Other items which showed higher quarterly prices were processed meats and onions, while bread prices increased in the last month of the quarter.

There was an increase of 0.3 per cent, from 120.2 to 120.6, in the Clothing and Drapery Group. All sections of the group showed small increases.

The Housing Group index rose from 157.1 to 157.7, an increase of 0.4 per cent. The increase was chiefly due to higher rents.

There was an increase of 0.4 per cent in the Household Supplies and Equipment Group, the index rising from 114.2 to 114.7. There was no significant increase in any section of the group. Small rises were recorded for furniture, household sundries, and fuel and light.

The Miscellaneous Group, which increased by 3.3 per cent, accounted for almost two-thirds of the increase in the All Groups index. The index rose from 143.1 in September quarter to 147.8 in December quarter. Higher prices for beer, tobacco and cigarettes, and petrol were mainly responsible for the increase.

The Consumer Price Index increased in all State Capitals from September quarter, 1965, to December quarter, 1965. Percentage variations were as follows: Adelaide, +1.5; Perth and Hobart, +1.3; Melbourne and Brisbane, +1.2; and Sydney, +1.1. The increase recorded for the weighted average of the six State Capitals was 1.3 per cent.

Since the base year, 1952-53, the rise in the retail price level has been greatest in Brisbane and smallest in Perth. Percentage increases from 1952-53 to December quarter, 1965, were as follows:- Brisbane, 40.0; Hobart, 38.8; Melbourne, 37.2; Sydney, 33.3; Adelaide, 32.7; and Perth, 31.7. The rise in the weighted average for the six State Capitals was 35.2 per cent. (It should be noted that these figures merely indicate rates of price rises in separate cities, and do not represent in any way the relativities of actual price levels in the different cities.)

COMMONWEALTH AND STATE BASIC WAGE RATES

Commonwealth and State basic wage rates are reviewed by the appropriate Industrial Authorities from time to time. The last variation made by the Commonwealth Conciliation and Arbitration Commission was an addition of £1 (\$2) to the male basic wage, with corresponding adjustments to the female and juvenile rates, and operated from 19th June, 1964. After the 1965 hearing by the Commission, a majority decision resulted in no alterations to basic wages.

The Queensland Industrial Conciliation and Arbitration Act of 1961 abolished automatic quarterly reviews of the State basic wage, but the Industrial Commission was empowered to vary the wage after a general hearing on the applications of interested parties. On 1st April, 1965, the Commission stated that, as a matter of policy, in future it did not propose to deal with an application to vary the basic wage solely because of a change in the Consumer Price Index unless such change warrants an alteration of 4s. (40c) or more in the basic wage. An increase of 5s. (50c) for males and 3. 6d. (35c) for females was granted from 20th September, 1965, and the Commission stated that it would not further review the basic wage prior to 1st July, 1966. Nevertheless, an application for an increase of 6s. (60c) for adult males was lodged with the Commission on 22nd October, 1965. However, the Commission refused to hear the application, and, on 23rd December, 1965, the Industrial Court refused an appeal to direct the Commission to determine the application. A further application for an increase in the basic wage of an unspecified amount was lodged with the Commission on 24th January, 1966, and another for an increase of £2 3s. (\$4.30) for adult males was lodged on 26th January, 1966.

Basic Wage Rates - State Capital Cities

Capital City	Commonwealth Basic Wage			State Basic Wage		
	Males	Females	Date of Operation ^a	Males	Females	Date of Operation
	\$	\$		\$	\$	
Brisbane ..	29.00	21.75	19.6.64	31.40	23.55	20.9.65
Sydney ..	31.50	23.60	19.6.64	31.50	23.60	19.6.64a
Melbourne ..	30.70	23.00	19.6.64	30.70	23.00	June, 1964b
Adelaide ..	30.30	22.70	19.6.64	30.30	22.70	22.6.64a
Perth ..	30.80	23.10	19.6.64	32.38c	24.28c	25.1.66c
Hobart ..	31.40	23.55	19.6.64	31.40	23.55	June, 1964b

a From the first pay period commencing on or after the date shown.

b Most Wages Boards adopted the Commonwealth rate during June, 1964.

c Previous adjustment was £15 19s. 7d. (\$31.96) for males and £11 19s. 8d. (\$23.97) for females, operative from 16.11.65.

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Table 1 - Consumer Price Index - Total and Group Indexes - Brisbane
(Year 1952-53 = 100.0)

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscell- aneous	All Groups
Year -						
1955-56	107.7	102.2	110.5	102.6	108.0	106.3
1956-57	111.5	104.7	118.4	106.5	118.9	112.0
1957-58	113.0	107.8	123.9	108.3	120.5	114.4
1958-59	119.8	109.4	128.4	109.0	123.6	118.2
1959-60	124.2	111.9	132.6	110.6	125.6	121.2
1960-61	130.4	115.1	137.6	111.3	129.5	125.4
1961-62	130.8	116.7	140.5	113.0	133.3	127.3
1962-63	129.8	117.0	144.0	112.8	134.4	127.7
1963-64	133.1	117.8	145.2	111.7	135.2	129.0
1964-65	141.5	119.5	149.0	112.7	140.9	133.9
Quarter -						
1964 - December ..	140.3	119.2	148.7	112.8	140.7	133.4
1965 - March ..	142.7	119.7	149.5	112.7	141.7	134.6
June ..	145.0	120.1	150.4	113.1	142.4	135.7
September ..	149.7	120.2	157.1	114.2	143.1	138.3
December ..	151.0	120.6	157.7	114.7	147.8	140.0
Percentage Increase or Decrease (-) on Previous Quarter						
Quarter -						
1964 - December ..	1.7	0.3	1.0	0.4	1.5	1.1
1965 - March ..	1.7	0.4	0.5	-0.1	0.7	0.9
June ..	1.6	0.3	0.6	0.4	0.5	0.8
September ..	3.2	0.1	4.5	1.0	0.5	1.9
December ..	0.9	0.3	0.4	0.4	3.3	1.2

Table 2 - Consumer Price Index - State Capital Cities
(Year 1952-53 = 100.0 for Each City and for Six State Capitals)

As the base for each city is 100.0, the indexes in the table below do not indicate relative price levels as between cities, but they may be used to compare relative price movements in the various cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Weighted Average Six State Capitals
Year -							
1955-56	105.7	108.1	106.3	106.9	107.9	110.2	106.9
1956-57	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1957-58	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1958-59	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1959-60	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1960-61	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1961-62	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1962-63	123.2	126.2	127.7	122.1	122.2	128.0	124.5
1963-64	124.5	127.1	129.0	123.5	123.8	129.4	125.7
1964-65	128.8	132.2	133.9	128.6	127.6	133.6	130.4
Quarter -							
1964 - December ..	128.4	131.8	133.4	128.6	126.6	133.4	130.0
1965 - March ..	129.1	132.9	134.6	128.9	128.0	134.0	130.9
June ..	130.3	134.4	135.7	129.9	129.3	135.2	132.1
September ..	131.8	135.6	138.3	130.7	130.0	137.0	133.5
December ..	133.3	137.2	140.0	132.7	131.7	138.8	135.2